

FISCAL NOTE

SB 1618 - HB 1123

April 10, 1997

SUMMARY OF BILL: Authorizes the University of Tennessee Board of Trustees to:

(1) create a private nonprofit corporation for the purpose of operating the University of Tennessee Memorial Research Center and Hospital; and to sell, lease, or transfer to such corporation any or all assets used in or related to operation of the hospital on such terms and conditions as the trustees deem in the best interest of the university and state; provided, however, the education and research missions of the hospital shall be maintained; or

(2) to sell, lease or otherwise transfer any or all assets used in or related to operation of the University of Tennessee Memorial Research Center and Hospital to any corporation or other legal entity on such terms and conditions as the trustees deem in the best interest of the university and the state; provided, however, the education and research missions of the hospital shall be maintained; or

(3) to retain the University of Tennessee Memorial Research Center and Hospital as it is currently.

ESTIMATED FISCAL IMPACT:

MINIMAL

Bill allows the Tennessee Board of Trustees the flexibility to make changes in the way the University of Tennessee Medical Center and Hospital is managed, including sale of the hospital, that is deemed necessary to operate the facility in a cost effective manner.

Bill does not mandate any changes.

However, should the hospital be sold we estimate a significant one-time increase in state revenues exceeding \$50,000,000 to the University of Tennessee. If the hospital is leased at some time in the future, it is estimated that there would be an increase in state revenues to the University exceeding \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director